

§ 3137.111

§ 3137.111 When will BLM extend the primary term of all leases committed to a unit agreement or renew all leases committed to a unit agreement?

If the unit operator requests it, the BLM will extend the primary term of all NPR-A leases committed to a unit agreement or renew the leases committed to a unit agreement if any committed lease within the unit is extended or renewed under § 3135.1-5 or § 3135.1-6. If the BLM approves a lease renewal under § 3135.1-6(b), the BLM will require a renewal fee of \$100 per acre for each lease in the unit that is renewed.

[73 FR 6444, Feb. 4, 2008]

§ 3137.112 What happens if I am prevented from performing actual or constructive drilling or reworking operations?

(a) If you demonstrate to BLM that reasons beyond your control prevent you, despite reasonable diligence, from starting actual or constructive drilling, reworking, or completing operations, BLM will extend all committed NPR-A leases as if you were performing constructive or actual drilling or reworking operations. You are limited to two extensions under this section.

(b) You must resume actual or constructive drilling or reworking operations when conditions permit. If you do not resume operations—

(1) BLM will cancel the extension; and

(2) The unit terminates (*see* § 3137.131 of this subpart).

CHANGE IN OWNERSHIP

§ 3137.120 As a transferee of an interest in a unitized NPR-A lease, am I subject to the terms and conditions of the unit agreement?

As a transferee of an interest in an NPR-A lease that is included in a unit agreement, you are subject to the terms and conditions of the unit agreement.

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UNIT TERMINATION

§ 3137.130 Under what circumstances will BLM approve a voluntary termination of the unit?

BLM will approve the voluntary termination of the unit at any time—

(a) Before the unit operator discovers production sufficient to establish a participating area; and

(b) The unit operator submits to BLM certification that at least 75 percent of the operating rights owners in the unit agreement, on a surface acreage basis, agree to the termination.

§ 3137.131 What happens if the unit terminated before the unit operator met the initial development obligations?

If the unit terminated before the unit operator met the initial development obligations, BLM's approval of the unit agreement is revoked. You, as lessee, forfeit all further benefits, including extensions and suspensions, granted any NPR-A lease because of having been committed to the unit. Any lease that the BLM extended because of being committed to the unit would expire unless it had been granted an extension or renewal under § 3135.1-5 or § 3135.1-6.

[67 FR 17886, Apr. 11, 2002, as amended at 73 FR 6444, Feb. 4, 2008]

§ 3137.132 What if I do not meet a continuing development obligation before I establish any participating area in the unit?

If you do not meet a continuing development obligation before you establish any participating area, the unit terminates automatically. Termination is effective the day after you did not meet a continuing development obligation.

§ 3137.133 After participating areas are established, when does the unit terminate?

After participating areas are established, the unit terminates when the last participating area of the unit terminates (*see* § 3137.92 of this subpart).